

AMIR website text editing

Final Report

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Abstract

The purpose of this report is to compile technical content for the AMIR website. At the time this work was initialized, all website content was in a preliminary state, requiring further editing. At the completion of the work, website content was in its near finished state requiring only further revisions from the AMIR component advisors and the communications manager. This report includes the website content as finished under this consultancy.

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I. Executive Summary

Linking interested parties—including partner organizations, stakeholders, the government of Jordan, USAID, Chemonics, NGOs, and the general public—with information about AMIR 2.0 during its implementation is critical to the success of the program. Developing and consistently updating a website is a key component to the AMIR Program communications plan and will facilitate sharing program information with the parties involved and interested in the program. The new website will provide in depth information about the program, its initiatives, training and events, RFPs, program news, the grants program, and more.

This consultancy consisted of editing the narrative text for the website's homepage and for each initiative: Business Management Initiative, Private Sector Policy Initiative, Financial Markets Development, Information Communications Technology Initiative, and Microenterprise Initiative. In addition to text editing, documents were collected for each section.

II. Home Page Text

The AMIR Program is an innovative economic opportunity project funded by the US Agency for International Development (USAID) implemented in partnership with the Jordanian private sector and government. AMIR is widely regarded as one of the most effective aid programs in Jordan's history. The current phase, launched in February 2002, builds on the impressive success of the original phase of the AMIR Program, which from 1998 to 2002 promoted economic growth and prosperity in Jordan by developing a more favorable environment for business and investment.

The AMIR Program is broadening its scope by further engaging government and the private sector to expand the breadth and depth of the project's work across all initiatives. AMIR is increasing public and private sector participation, and expanding the program to include a major emphasis in the Information and Communications Technology (ICT) sector.

In partnership with the people and government of Jordan, the AMIR Program is creating a globally recognized Jordanian economic success story through its focus on five major initiatives:

- **Business Management Initiative (BMI)**—Works primarily with Business Associations to upgrade member services while lobbying for changes that affect them.
- **Financial Market Development (FMD)** – Works to improve the efficiency, stability, and institutional environment of the Jordanian securities market, strengthening the quality of its legal/regulatory framework and increasing the institutional capacity of Jordan's capital market institutions
- **Information and Communication Technology Initiative (ICTI)** -- Works to develop Jordan as a regional ICT hub and a competitive exporter of ICT products and services in partnership with the government and private sector.
- **Microenterprise Initiative (MEI)**—Works to create a more dynamic, sustainable microfinance market through improved access to financial and business services for microenterprises and support to the microfinance institutions.
- **Private Sector Policy Initiative (PSPI)** --- Works at the policy level, conducting a rigorous analysis of Jordanian law, identifying impediments to economic growth.

III. Business Management Initiative

Overview

The Business Management Initiative (BMI) is engaged in activities that encompass three key initiatives. Firstly, business skills development is vital for industry growth and this is being accomplished through training workshops conducted through the business associations. As business managers increase their skills, efficiency and higher productivity increase resulting in a stronger private sector. Secondly, strong business associations are an important element to a strong private sector, uniting the voice of the working force in appeals to the public sector for support. BMI strengthens the business associations by issuing grants to fund various activities including training workshops, strategic planning development, and stakeholder meetings. Lastly, the initiative supports public-private partnerships including: Jordan Vision 2020, the TIJARA coalition (helps organizations take advantage of the Jordan-U.S. Free Trade Agreement), and Jordan's Tourism Economy. Through grants, this initiative gives private sector partners the assistance needed to hold workshops and events that foster private-public partnerships.

Key Initiatives

- 1. Business Skills Development**
- 2. Strengthening Business Associations**
- 3. Public-private Partnership Support**

1. Business Skills Development

During the first phase of the AMIR program BMI, then BAI (Business Associations Initiative), was focused on the establishment of business associations that could lend a voice to the private sector needs. After successfully aiding in the establishment of several associations including Jordan American Business Association (JABA), Young Entrepreneurs Association (YEA), and the Information Technology Association of Jordan (INT@J), the focus of this initiative has shifted from establishing the associations, to making the associations stronger advocates of the private sector.

Business skills development helps the private sector to enhance their skills which has the reciprocal effect of helping the business associations. As the private sector increase their skills, their contributions to these associations are greater including increased membership and participation in association activities.

Skills development is accomplished through training programs facilitated by business associations. These trainings are open to members of the association at discounted rates (increasing the attractiveness of membership), and then to private sector members at regular rates; the training programs are geared to middle and senior executives of the private sector. Having fee based training programs contributes to the sustainability of these associations, providing needed revenues. BMI is involved in coordinating these training events with local members of the community as well as international consultants, who can lend their expertise in the chosen topic of training. These topics are chosen by the business associations who consider the needs and interests of their members. Some of the trainings conducted thus far include:

- **TIJARA Coalition** – these training events, delivered by various associations including, JABA, YEA, and Amman World Trade Center (AWTC), educate the participants on ways to take advantage of the Jordan-U.S. Free Trade Agreement. Training is given on export regulations, international copyright laws, and linkages to companies in the US. Jordan Exporters Association (JEA) made a link to the FDA through Digital Video Conferencing (DVC), exploring U.S. regulations on food exportation standards.
- **Intellectual Property-** Jordan Intellectual Property Association (JIPA), in conjunction with the International Intellectual Property Institute (IIPI, based in Washington D.C.), held an “IP Week,” which brought experts from the fields of law, academia, and the private sector, to train the private and public sector how to protect intellectual property and the benefits that come from doing so.
- **Jordan’s Hotel Industry-**In its efforts to revitalize the country’s hotel industry, the Jordan Hotel Association (JHA) organized a seminar for Jordan’s leading three, four, and five star hotel-owning companies on alternative investment strategies including: the latest corporate financing strategies, restructuring and expansion options, and alternative financing opportunities for hotel owners in Jordan.

2. Strengthening Business Associations

Business associations play an active role in promoting competitiveness, productivity, efficiency, and diversification as evidenced by some of the trainings above. Consequently, BMI works with nearly ten business associations, building their capacity to serve their members and to contribute to Jordan’s economic development, while supporting its integration into the world economy; this is largely accomplished through awarding grants.

Grants allow the initiative to have an influence in helping the associations fund projects, study tours, and

workshops, while holding the association responsible to USAID reporting standards. This gives the associations the experience of receiving grant funds and being accountable for the outcome(s) achieved through the grant. This strengthens the associations by giving them the confidence to work with other international partners to achieve their goals.

A direct link between an association's mission, program of work, and activities proposed to this initiative for support, must coincide with AMIR's overall goals and BMI's objectives ([hyperlink-goals of AMIR](#)).

All associations undergo a diagnostic assessment, followed by development of a custom-tailored capacity building program that focuses on institutionalization and financial sustainability. This is included in a comprehensive 3-5 year strategy and associated detailed work plan and budget. Financial, operational, impact results indicators, and monitoring and evaluation systems, comprise an integral part of the strategy and grant.

Grants to business associations generally have a ceiling of \$500,000. The specific amount of grant support from BMI depends on a variety of factors as described above, including the association's absorption capacity, as well as demonstrated and planned implementation capability. As with other activities supported by the initiative, grantees demonstrate a healthy amount of cost sharing and revenue generation. The level of cost share is determined on an individual basis depending on a multitude of factors including level of institutional development, years in operation, and past donor support.

3. Public-Private Partnership Support

Public-private partnerships are critical to Jordan's advancement in the global economy. These partnerships enable both sides to fully take advantage of each other's offerings whether it is financial, human resources, knowledge, or community connections (better known in the Arab world as "Wasta"). This initiative helps these partners identify positive relationships resulting in great progress on numerous fronts. Some specific partnerships this initiative is working on include:

Jordan Vision 2020

Jordan Vision 2020 is a comprehensive growth strategy for Jordan, encompassing the needed steps to attain double the GDP per capita by 2020 (<http://www.jv2020.com/>). Some of the elements of this strategy focus on technology advancement, foreign direct investment, and export orientation. This initiative works mainly with six sectors within JV2020, with one association in charge of each sector. BMI provides grants and technical support to the partners. The partners and sectors involved in this coalition include: YEA-higher education, AWTC-health, JEA-food, INT@J-Information Technology, JABA-architecture and engineering, and JAPM (Jordan Association for Pharmaceuticals Manufacturing)-pharmaceuticals. The Ministry of Industry and Trade and the Ministry of Planning are two public partners that have been involved in this process, lending support and expertise.

Jordan's Tourism Economy

Tourism has emerged as a key driver of Jordan's economy. As the single largest industry, it is the second main contributor to the balance of payments, contributing nearly half a billion JD in revenue or 10 percent of Jordan's GDP annually. In cooperation with the Jordan Tourism Board (JTB), this initiative supports the tourism industry through capacity building of the JTB through grants, as well as lending promotional support to their activities.

Jordan – US Free Trade Agreement

The TIJARA Coalition is a private-public partnership of organizations, working to implement the Jordan-U.S. Free Trade Agreement (JUSFTA). Several of the partners involved in this coalition include: AWTC, the Amman Chambers of Commerce, Ministry of Trade and Industry, Ministry of Planning, JABA,

JUSBP (Jordan U.S. Business Partnership), JIPA, and the Ministry of Finance BMI supports private sector associations in capitalizing on the JUSFTA through grants which fund technical support to the FTA Unit (made up of various association members), which disseminates information to the business industry. BMI also participates in all coalition meetings to identify certain linkages and to provide technical assistance where needed. In the fall of 2002, BMI launched the JUSFTA web site, (www.jordanusfta.com), which is funded by USAID, and provides information on this agreement.

IV. Private Sector Policy Initiative

Overview

The Private Sector Policy Initiative (PSPI) is the most complex and multi-faceted initiative of the AMIR Program. The initiative's goal is to develop and implement international best practice solutions to improve the policy-enabling environment, promoting private sector-led growth and encouraging foreign and domestic firms to invest and grow their businesses. PSPI addresses a wide range of economic and business policy issues through four areas: investment promotion, trade and market access, customs reform and general policy implementation.

Key Initiatives

- 1. Investment Promotion**
- 2. Trade Policy and Market Access**
- 3. Customs Reform and Modernization**
- 4. General Policy Implementation**

1. Investment Promotion

Overview

Investment Promotion is working with the government of Jordan to improve the country's national competitiveness by enhancing the structures, skills, and systems of key government institutions, as well as improving the business environment.

"Competitiveness" refers to Jordan's ability to create robust, sustained economic growth and improve the quality of life for its citizens. Enhancing competitiveness involves creating a favorable environment for doing business, attracting investment, developing enterprise, promoting exports, and upgrading human resources and infrastructure. It is a process that requires a dedicated, coordinated and sustained national effort.

Institutional Development

PSPI worked with the government to develop and implement an institutional framework to improve investment promotion in Jordan through the creation of the Jordan Authority for Economic Development (JAED) Initiative. Based on the successful Irish model that transformed the Irish economy over the past decade, the JAED Initiative seeks to re-engineer Jordan's diverse investment promotion, enterprise development, and export promotion activities according to international best practice (JAED Development). PSPI provides technical assistance in the areas of institutional and legal framework development, strategic planning, organizational development, and capacity building.

Investment Promotion

PSPI supports the Jordan Investment Board (JIB) in fulfilling its new mandate under the JAED Initiative of focused investment promotion through strategy formulation, strategy implementation support, and capacity building.

The Jordan Investor Targeting Strategy 2003 (2003 Investment Strategy) which assesses Jordan's competitiveness in attracting investment relative to other countries in the region and recommends sectors to promote, is being used as the foundation for investment targeting. As recommended by the strategy,

PSPI is working with the JIB to develop promotional strategies for seven of these sectors: garments, pharmaceuticals, information technology, medical services, processed food, electronics assembly, and precision engineering.

Enterprise and Export Development

The initiative supports the Jordan Enterprise Development Corporation (JEDCO) in fulfilling its new mandate under the JAED Initiative of enterprise and export development through strategy formulation, strategy implementation support, and capacity building.

Working with JEDCO, PSPI is developing the JEDCO Export Promotion Strategy 2004. This strategy includes a comprehensive diagnostic of export opportunities, a series of feasibility studies of promising opportunities, and a series of promotional strategies for feasible projects.

Enabling Environment

Creating an enabling environment for business by shifting from a philosophy of control to one of facilitation, contributes to enhancing the competitiveness of a country. To improve Jordan's enabling environment, PSPI published *The 2002 Investor Roadmap of Jordan* (2002 Investor Roadmap) which outlines the critical path of business start-up and operation, highlights major obstacles on that path, and recommends ways to remove those obstacles. The initiative also provides technical assistance to the government to address priority recommendations.

Additionally, technical assistance is provided to develop a new package of investment incentives that is consistent with international best practice and maximizes investment in appropriate sectors while minimizing foregone government revenue and avoiding costly distortions.

Backward Linkages

As a part of its work on the JAED Initiative, PSPI is supporting the creation of a national backward linkages program. "Backward linkages" refer to inter-firm relationships where large firms purchase intermediate goods and services as production inputs on a regular basis from small- or medium-sized firms. Such linkages provide a number of benefits, including strengthening local SMEs through technology transfer and skills upgrading (consider using capacity building).

PSPI is developing a business plan for a National Linkages Program that will be administered by JEDCO. Once developed, the initiative will support the program implementation on a pilot basis.

2. Trade Policy and Market Access

Overview

Trade Policy and Market Access focuses on assisting the government of Jordan in strengthening its capacity to formulate and implement trade policy. Over the past three years, PSPI has been instrumental in helping Jordan enter into a number of significant trade agreements, including joining the World Trade Organization (WTO) and signing a bilateral trade agreement with the United States. PSPI is working to

take advantage of these agreements, while ensuring compliance, by supporting the government and private sector on many levels.

Key Initiatives

Institution Building

Building the right institutions is perhaps the most important task of government. Modern trade policy and practice require effective input from a number of new agencies. PSPI is assisting the Ministry of Industry and Trade and the National Library to implement intellectual property rights and safeguard commitments

in a manner appropriate to the needs of Jordan (<http://www.mit.gov.jo/>) (National Library- IP Safeguards). Short-term experts advise on organizational structure and standard operating procedures. Other support includes establishing a trade policy unit at the Sanitary and Phytosanitary Office within the Ministry of Agriculture (<http://www.moa.gov.jo/>). This office will work on compliance with the implementation of WTO rules on applying food safety and animal and plant health measures (Ministry of Agriculture and Trade Unit).

Training

The initiative helps government officials develop their skills by providing workshops on trade-related matters and sending officials to international trade events, particularly at WTO headquarters. Short-term experts work closely with officials providing on-the-job training on specific topics. The challenge of frequent staff changes in government institutions is being addressed by creating self-help training modules. For example, manuals to brief each government department on their WTO obligations are being developed.

Trade Policy and Practice

PSPI has conducted a number of studies to identify economic gains to Jordan from different trade initiatives, including the Jordan-U.S. Free Trade Agreement (<http://www.jordanusfta.com/>), including examining the impediments to exporting experienced by small and medium sized enterprises. The longer term goal is to strengthen the capacity of the Ministry of Industry and Trade to formulate trade policy. A study is being conducted to examine U.S. meat import requirements to determine if export potential exists in this sector (see document).

Trade Agreement Negotiations

PSPI provides assistance to the government to identify Jordan's trade interests and how these may be achieved through current WTO negotiations. Negotiations involve renegotiation of the General Agreement on Trade in Services and the Agriculture Agreement. Jordan is also negotiating to accede to the Government Procurement Agreement (GPA) (GPA-Implications-Study) (WTO Accession and the GPA). The 23 members of the GPA commit to maintaining transparent procurement practices among each other.

Advocacy and Publicity

PSPI is working with the Business Management Initiative to educate Jordanian businesses on how to capitalize on the Jordan-U.S. FTA (<http://www.jordanusfta.com/>). The initiative is developing material for the Ministry of Industry and Trade Web site to describe the implications for Jordan from each trade agreement. Exporting guides will also be developed. Additional support is also being given to various counterpart organizations to disseminate important documents, such as the National Agriculture Strategy.

Legislation

Trade agreements often require legislative reform to establish new government agencies or new procedures to administer the agreements. PSPI is continuing its assistance to the government to ensure that agriculture legislation is WTO-compliant and that government procurement legislation is GPA-

compliant.

Databases

New trade arrangements often require better ways to manage information. PSPI supports new trade-related information systems, including a database to monitor the movement of Qualified Industrial Zone goods; an online patent database and streamlined procedures for safeguard actions.

3. Customs Reform and Modernization

Overview

Customs Reform and Modernization seeks to promote international best practice activities aimed at enhancing the effectiveness and efficiency of customs operations in Jordan.

In recent years, Jordan's National Customs Department has made major strides in trade modernization. The single most important step was the implementation of the Automated System for Customs Data (ASYCUDA) that operates at all key entry points. Goods entering Jordan are cleared in as little as one day, as opposed to weeks in the past. However, this system requires integration with other on-going customs activities related to risk management, intelligence, investigations and enforcement. It also requires the incorporation of the overall institutional trade structure relating to legislation and internal agency management, as well as the extension to other stakeholders such as the Ministry of Health, Ministry of Agriculture and the Jordan Institute of Standards and Metrology (JISM).

Building on previous PSPI assistance, Jordan's Customs Department has developed a strategic plan, based on the United States model, and is implementing a three-year action plan. It has stepped up efforts to improve entry procedures, the valuation process, and related staff training. Moreover, Jordanian leaders have come to appreciate the importance of a modern customs service as a means of attracting investors, expanding trade, and increasing national revenues. Despite this progress, Customs still faces significant challenges to transform itself into an organization based on international best practices and as a center of excellence for ISO 9002 standards (<http://www.iso.org/>).

Key Initiatives

Institutional Development

Institutional development focuses on the institutional and strategic framework to ensure full compliance with the WTO and other international customs commitments and guidelines. It also addresses the following critical technical issues through training, overseas study tours and technical assistance:

- Risk management
- Transit control module for the ASYCUDA customs database
- Strategic plans for key areas of customs related to risk and facilitation
- Intelligence and border security
- Legislation
- Valuation and tariff classification

Information Technology (IT) Solutions

With PSPI assistance, Jordan's Customs Department has adopted and implemented the ASYCUDA declaration system. This basic declarations application is gradually being expanded through the introduction of the supplementary modules (transit, manifest, under-bond) at all appropriate sites. Customs is also preparing for the next round of technical upgrades (from ASYCUDA ++ to ASYCUDA WORLD which is expected to be available in late 2004), which will be fully web-enabled. As a precursor, PSPI is upgrading heritage components and ensuring Internet compatibility of the present Customs system that was provided by the initiative.

4. General Policy Implementation

Overview

General Policy Implementation addresses three main areas:

- Improving the policy analysis capability in government and coordinating the efforts of different bodies responsible for policy research and analysis
- Creating a coordinated system of data collection and analysis to provide policy advice and decision support to ministers
- Providing ongoing assistance to address current policy issues

Key Initiatives

Business Licensing

Working with the Microenterprise Initiative and the Information and Communications Technology Initiative, PSPI is establishing a technical working group that will liaise with municipalities on a pilot program to simplify business registration and licensing. The pilot is expected to be rolled out to other municipalities by mid-2004.

Land Use Planning

The initiative is supporting the Jordan Valley Authority by developing a spatial development master plan for the Jordan Valley.

Information Management Systems

PSPI works with government counterparts to enhance their information management systems. Specific assistance includes:

- upgrading the judicial case management system of the Ministry of Justice
- developing a securely enabled web archiving system for Prime Ministry
- upgrading the Ministry of Planning's donor and project database

Centers of Excellence

The Centers of Excellence (COE) Program aims to assist government and quasi-government entities to embrace the three pillars of international best practice in modern governance: citizen-centered, results-focused, and transparent. The roots of these pillars, and of international government best practice, stem from the global trend that governments are increasingly adopting appropriate private sector practices for effective governance. The COE Program assists institutions to embrace these pillars, to adopt a culture of excellence, and to achieve certified COE status.

The COE Program emphasizes transformation that is led from within each partner institution. The COE approach contains common elements that apply to all counterparts, regardless of their individual missions and responsibilities or existing structures. This approach includes:

- Benchmarking each institution against international best practice in five criteria: leadership, human resources, knowledge, process, and outcomes.
- Providing technical support in the leadership criteria to help institutions develop a results-focused, citizen-centered, transparent strategic planning framework.
- Providing a diagnostic of each institution as to how it stacks up to international best practice in each of the above criteria. This diagnostic will serve as a benchmark for each institution, identifying areas of concentration in order to achieve the international standard for best practice.
- Establishing COE teams of six to eight employees from each institution to dedicate 25 percent of

their time to drive the COE transformation within each institution.

- Holding team-building retreats to fortify individual COE teams and create linkages among like technical personnel of COE teams.
- Supporting the COE teams through technical assistance, trainings, etc. to accomplish COE objectives.
- Creating incentives to inspire COE teams as well as government employees, groups, teams, and institutions.
- Creating and maintaining an effective communications strategy to inspire all stakeholders, including government officials, citizens, businesses, and investors, to the successes, benefits, and opportunities of the COE Program.

V. Financial Markets Development

Overview

Since 1999, the Financial Markets Development Initiative (FMD) has been working with Jordan's capital and financial market institutions to develop a fair, efficient, liquid, and transparent market to inspire domestic and international investor confidence.

During the first phase of the AMIR Program, the initiative focused on capital markets development in the areas of regulatory reform, institution building, and improving the efficiency and stability of Jordan's three capital market institutions: the Jordan Securities Commission (JSC), the Amman Stock Exchange (ASE) and the Securities Depository Center (SDC).

Throughout the second phase of the program, this initiative works to broaden and deepen Jordan's financial markets by leveraging unused capital for developing and modernizing financial institutions. This is accomplished through enhancing banking laws and bank supervision, developing equity market regulations, introducing new investment instruments, developing the government bond market and housing finance market, and expanding the investment portfolio of the social security fund. These approaches help to address the causes of illiquidity in long-term finance and harness Jordan's \$2 billion locked in low-yield investment that has resulted in little development impact.

Key Initiatives

- 1. Central Bank of Jordan**
- 2. Pension Fund (Social Security Corporation)**
- 3. Jordan Mortgage Refinance Corporation**
- 4. Banks and Financial Institutions**
- 5. Capital Markets Development**
- 6. Financial Markets Development**
- 7. Securities Depository Center**
- 8. Chartered Financial Analyst Program**

1. Central Bank of Jordan

In March 2002, the initiative began assisting the Central Bank of Jordan (CBJ) in identifying training needs for their Banking Supervision and Research Departments with top priority given to bank risk management to ensure that money is invested in an appropriate way (CBJ Bank Risk Management). Strengthening supervision, enhancing security, and promoting soundness are the main areas of assistance this initiative provides to the Central Bank of Jordan (CBJ). The following activities demonstrate the

assistance given under this initiative:

- Aiding in the preparation of a comprehensive Work Plan for Bank Supervision. (CBJ Workplan Development).
- Help to prepare a bank examination manual using the Federal Deposit Insurance Corporation's (FDIC) model.
- Assistance to develop an early warning system used to identify detrimental banking practices. The warning system keeps a log that helps identify banks that appear to be experiencing problems or practices that can lead to unsafe and unsound banking conditions (Early Warning System).
- Help to establish databases for bank supervision, credit reporting, and anti-money laundering.
- Help to conduct a Basel II--international banking standards put for by Banks for International Settlements (BIS)--readiness assessment covering market risk, operational risk, bank resolutions and credit recovery.
- Assistance in drafting needed amendments to banking laws, rules, and regulations.
- Help to prepare Bank Supervision Department IT needs assessment.
- Work to develop a network to link the CBJ with all commercial banks in Jordan.
- Aiding in the development of new investment instruments, mainly longer term debt instruments.

Training events are also held to assist the CBJ including:

- Bank Risk Management Training Program- This five-day program presented by experts from the U.S., aims to strengthen the CBJ's foundation in the regulatory supervision of its client commercial banks. (URL Link--Training Program Press Release)
- Senior Management Roundtable- This roundtable prepares the CBJ for its role in communicating and encouraging Jordanian banks to achieve Basel II compliance.
- Human Resources Management Presentation - This half-day seminar on Human Resources Management at International Financial Institutions, assists the CBJ to practice better human resources management

2. Pension Fund (Social Security Corporation)

This initiative has been assisting the Social Security Corporation (SSC) since mid-2002 to establish the Social Security Investment Commission (SSIC) as a modern financial institution that manages the Corporation's funds to the best international standards and ensures the long-term benefits of plan participants, while at the same time fostering economic and financial market development and growth in Jordan. This is accomplished through the technical assistance given by this initiative. The SSIC now manages more than \$2.4 billion in funds of approximately 437,000 Jordanians, comprising more than 25 percent of the country's labor force, resulting in the single largest investment pool in the Kingdom.

Technical assistance is provided in the following areas:

- Establishing the SSIC as a modern public pension fund management unit.
- Developing and implementing a new Social Security Investment Policy.
- Drafting a new business plan, loan action plan, organizational plan and operations manual.
- Enhancing SSIC's regulations to facilitate better returns on the investments and better management of the assets.
- Helping the SSIC implement the business plan, loan action plan, and organizational plan through the help of a FMD consultant from Copley Investment Management (Consortium Link).
- Evaluating feasibility of purchasing a brokerage firm including researching the law to see if it would allow such a purchase.

- Helping to procure software for portfolio management training, general ledger and accounting software, mortgage and loan package software, network servers, and computer equipment. (URL Link--Advent press release)

3. Jordan Mortgage Refinance Corporation

This initiative assisted the Jordan Mortgage Refinance Corporation (JMRC) in conducting a strategic review and creating a business development plan (The JMRC Strategic Plan). The focus of this review identified new business activities that will facilitate capital mobility in Jordan and the following technical assistance is provided to help bring about this mobility.

- Assisting in the creation of a Mortgage Borrower Service Unit that will improve underwriting criteria, competition, and standardization of mortgage lending.
- Preparing for the issuance of new long-term bonds to the general public while assisting in the development of education and training programs related to investing in long-term JMRC bonds, and the basics of housing finance.
- Assisting in the selection of an investment bank to advise, manage, and underwrite the long-term bond issue while providing assistance in the creation of the offering prospectus.
- Providing assistance in creating an active secondary trading market for JMRC bonds.
- Developing a mortgage purchase program funded with the issuance of mortgage collateralized securities.
- Helping to establish loan guarantee programs to expand current operations.

4. Banks and Financial Institutions

An important focus of this initiative is to develop and modernize Jordan's banking and financial institutions, while enhancing the professionalism and skills of market participants and investors. From creating and expanding instruments of investment, to enhancing market regulations and further to establishing new types of capital and financial market institutions, the assistance aims to initiate new approaches that will leverage unused capital and broaden and deepen the country's financial markets. In order to accomplish this goal, this initiative provides technical assistance in the following areas:

- The introduction of new investment instruments such as commercial paper, mortgage-backed securities, and corporate bonds to financial market intermediaries and companies.
- Workshops are held for senior bank managers on new investment instruments in conjunction with the CBJ and the Association of Banks in Jordan.
- FMD hosts a series of specialized programs for company owners, corporate treasurers, and entrepreneurs about techniques of corporate fund management. (URL LINK-- press release)
- Assistance to the newly-formed Financial Analysts Association in developing and writing a strategic plan.
- Holding investor education training programs to market participants and offering seminars to companies on financing growth.

5. Capital Markets Development

A new Securities Law, a modern automated SDC, the computerization of market information dissemination displaying real-time information, and a series of training and investor education programs, are among the most notable achievements of the initiative's assistance to Jordan's Capital Market institutions over the course of the AMIR program. As a testimony of Jordan's progress and

modernization, despite the poor performance of global stock exchanges and persistent regional uncertainties in 2002, trading volume at the ASE increased by 42 percent last year, the highest in ten years. Moreover, America's largest public pension fund, the California Public Employees' Retirement System (CalPERS), began investing some of its more than \$1.6 billion in emerging market funds in Jordan in 2003 (URL.link- press release). The initiative provides technical assistance to all three capital market institutions in the following areas:

- The institution of a new Securities Law for Jordan in conjunction with the U.S. Securities and Exchange Commission (SEC).
- The establishment of public relations capacity at the JSC, ASE and SDC.
- Automating the entire office operations of JSC, ASE and SDC.
- Establishing a wide area network (WAN) linking the JSC, ASE, and the SDC with brokers, custodians, and listed companies.
- Assisting in the web site development for JSC, ASE and SDC.

Specific technical assistance to JSC includes:

- Establishing a Broker Certification Training Program and Chartered Financial Analyst (CFA) Program.
- Coordination of the U.S. SEC Regional Capital Markets Training Program.
- Sponsorship of the capital market institutions in international training programs such as U.S. SEC annual and regional conferences, International Organization of Securities Commissions (IOSCO) annual conferences, and a study tour to Sri-Lanka Stock Exchange. (URL-press release and program)
- Developing educational investment materials for the media, business associations, universities, and government agencies, including a newspaper investor education series and *The Economy* news program on Jordan TV.

Specific technical assistance to ASE includes:

- Help to prepare the Strategic Business Plan.
- Assistance to prepare the Marketing Plan.
- Instituting new listing and disclosure rules for each of the three markets within the ASE.
- Assisting in the development of a new high-tech Investor Gallery, including the procurement of special market information data screens. (URL. LINK—ASE press release)

6. Financial Markets Development

Four broad areas represent the initiative's assistance to Jordan's capital market institutions: Capital Market Regulation, Capital Market Institutions Development, Capital Market Industry Development and Capital Market IT Solutions. The initiative provides technical assistance in the following areas to further develop the industry:

- Strengthening capital market regulations and updating JSC, ASE and SDC by-laws to comply with international standards.
- Developing strategies to reduce market risk such as diversifying investment products and creating a more liquid market by enhancing the regulations to allow more products and types of investors.
- Establishing a strategic plan and a task list of important policy issues that need to be addressed.

- Improving the professionalism and skills of market participants through training programs such as the trainings done with the SEC.
- Introducing new financial instruments that will help generate additional investment capital.
- Improving the JSC, ASE, and SDC websites to ensure greater information dissemination to investors.
- Preparing an investor simulation game based on actual Jordan market data.
- Developing an investment manager and financial advisor training and certification program together with the National Association of Securities Dealers (NASD).
- Developing licensing criteria for financial market participants together with NASD.

The initiative is engaged in the following training courses for the SDC and ASE:

- U.S. SEC Regional Capital Markets Training Program with topics ranging from market oversight to disclosure and regulation issues to broker-dealer compliance issues, and investor education and securities enforcement. A public awareness campaign, including press releases, is built around this event to enhance investor awareness.
- Chartered Financial Analyst (CFA) Classroom Teaching Program that trains participants how to apply investment principles such as security analysis and portfolio management.
- Securities Dispute Resolution Training to be offered to JSC and ASE staff, judges, and state lawyers.
- NASD Licensing and Monitoring of Brokers; these trainings will include review of the capital adequacy requirements, licensing requirements, and other criteria for brokers, investment managers, and other market participants regulated by the JSC.

7. Securities Depository Center

The initiative provides extensive technical and logistical assistance to the SDC throughout the construction of its world-class depository system, and during the inauguration of its Electronic Clearing and Settlement system for registering and transferring stocks traded on the ASE (URL Link- Press Release). All listed companies should be on this new system. FMD consultants assist the SDC in becoming a self-sustaining business enterprise. A Settlement Bank Network was recently established to support the cash settlement portion of electronic clearing and settlement and as a prerequisite to achieving full DVP (delivery versus payment). This initiative's guidance includes the design, testing, and implementation of procedures for both the Settlement Bank Network and for a Settlement Guarantee Fund. Technical assistance provided to the SDC includes:

- Assistance in building SDC's registry, where stock is registered and contains information on stock ownership.
- The EFA Equator System (Equator is a complete clearance and settlement solution which enables the free flow of capital while providing efficiency, accountability and the ability to determine and control risk) and assistance in development of all SDC systems related to the automation of all SDC clearing and settlement operations.(URL link- press release)
- Establishing a Settlement Guarantee Fund and cash settlement procedures.
- Providing operations support and activities required to attain irrevocable DVP (Delivery versus Payment) that is compliant with global standards.
- Establishing a settlement bank network and developed operations manual.
- Providing advice to the SDC on business sustainability strategies.

8. Chartered Financial Analyst Program

The Chartered Financial Analyst (CFA) Program is among the best measurements of the professional credentials of financial analysts in the world. The program and exam, administered by the Association of Investment Management and Research (AIMR) ([http:// www.aimr.org/](http://www.aimr.org/)), assess the abilities and knowledge of financial analysts to apply investment principles such as security analysis and portfolio management.

A team of U.S. instructors conduct the three levels of the CFA Program to Jordanian candidates. Many management executives and officials from government regulatory institutions and AMIR Program counterparts, such as the SSIC, the CBJ, the JSC, the ASE, the SDC and others from Jordanian banking and financial institutions, participate in the Program (CFA Training Statistics).

VI. Information & Communications Technology Initiative

Overview

The Information and Communications Technology Initiative (ICTI) assists Jordan in becoming a knowledge-based economy and society through several key initiatives. Firstly, in coordination with the Ministry of Information and Communications Technology (MoICT), the initiative is developing a national communications policy to create an enabling environment for private sector-led ICT growth. Secondly, assistance to the Telecommunications Regulatory Commission (TRC) is enhancing its ability to provide more services to Jordan. Thirdly, since the inception of this initiative, industry development is a primary focus with the launch of the REACH Initiative in response to His Majesty, King Abdullah II's mandate for a national ICT strategy (<http://www.reach.jo/>). This initiative supports industry development through aiding the Information Technology Association of Jordan through grants and technical assistance. e-Government is also critical to advancing Jordan in the global economy with streamlined services to the private sector, such as business licensing procedures. Lastly, access to ICT products and e-learning advance human capital in Jordan; this is being accomplished through projects such as the Netcorps Jordan project (<http://www.netcorpsjordan.org.jo/>) and the Knowledge Stations Initiative.

Key initiatives

- 1. ICT Policy and Regulation (Telecommunications Policy)**
- 2. Regulatory Assistance to the Telecommunications Regulatory Commission**
- 3. Industry Development**
- 4. e-Government**
- 5. Access and e-Learning**

1. ICT Policy and Regulation (Telecommunications Policy)

This initiative supports an ICTI unit, headquartered at the Ministry of Information and Communications Technology (MoICT) (<http://www.moict.gov.jo/>). This unit works to complete the transformation from the old Ministry of Post and Communications, into a new ministry with a focus on ICT. This work began during the first phase of the AMIR Program with a study and implementation plan for the transformation. During the second phase of the program, the work is broader to include a greater focus on capacity building of the MoICT. The following activities demonstrate the work this initiative is engaged in:

- Building a new MoICT, including organization chart, job descriptions and salary scales
- Completing the staffing of the new entity on one-year, renewable contract basis
- Drafting a comprehensive national ICT Policy to be endorsed by the government
- Preparing a national Strategic Plan for the MoICT based on the national ICT Policy
- Contracting studies for the liberalization of the mobile and fixed line telecommunications sub-sectors

2. Regulatory Assistance to the Telecommunications Regulatory Commission

The Telecommunications Regulatory Commission (TRC) is the government entity responsible for the regulation of the telecommunications and postal services markets in Jordan (<http://www.trc.gov.jo>). This initiative supports the TRC by providing assistance in capacity building and regulatory advice on telecommunications matters. Specific support includes:

- General legal and regulatory advice
- IT systems development with the first phase being strategy development for the next 2 to 3 years of the TRC. This will connect their goals and objectives with the needed IT systems development
- Licensing of radio spectrum and new wireless services
- Radio frequency spectrum management, which is basically the management of frequencies that are used over the spectrum that encompasses the telecommunications in Jordan including broadband to wireless.

3. Industry Development

During the first phase of the AMIR Program, in coordination with the Information Technology Association of Jordan (Int@j), the initiative helped launch a strategy for Jordan's IT industry called the REACH Initiative, designed to expand the industry's export base and enhance its regional competitiveness (<http://www.reach.jo>). Since the launch of the REACH Initiative in 1999, a vibrant, export oriented IT services has emerged. With the support of the initiative, Int@j has rapidly grown into a dynamic representative of the ICT sector with a broad membership base from IT businesses in Jordan (<http://www.intaj.net/>). Since inception, support has been given in the form of grants and consultant work with the most significant support recently given in the form of a program development grant (link to AMIR Grants). Additional support includes the following:

- Assisting in the Jordan ICT Forum plans and preparations. This forum enables international experts to expose the possibilities of ICT as well as showcase the accomplishments of ICT in Jordan (<http://www.jordanictforum.com/>).
- Increase capacity building of the industry through training events for association members facilitated by Int@j. One example is the public relations training conducted to help members in areas ranging from avoiding PR disasters to ways of creating appealing press kits
- Support to Int@j for participation in regional tradeshows including Gitex in Dubai, and SHAMM in Syria, where the latest in ICT equipment and experience is exchanged.

4. e-Government

e-Government offers a unique opportunity to accelerate administrative reform, enabling the government to automate more efficient and streamlined services, and it has a major role in bridging the gap between government and the private sector. The private sector is more likely to go through proper government channels to accomplish business tasks if it's convenient and easy. Much work has been done to facilitate an e-Government environment and this includes:

- Development of an e-government strategic plan to chart the course towards a successful e-Government system where government entities are interconnected.
- Building the base infrastructure of e-government between government entities (Phase1). From technical procurements to AMIR funded consultants, standards and guidelines for e-Government are developed.
- Establishing a secured way of e-mail communications
- Built the capacity at MoICT to lead e-government efforts in Jordan by establishing a unit to run e-government, called the Program Management Office which serves as the “Go To” entity for guidance on all e-Government program delivery projects
- Implementing and launching an e-government informational portal (Phase 1) that will offer information to benefit the government, business, and citizen, including information on how to do an application such as a passport or how to establish and run a business
- Developing an e-government by-law to give the MoICT the necessary mandate to be the owner and implementer of e-government in Jordan
- Strategic planning with the MoICT that resulted in creating the PMO to manage e-government as well as developing the e-government architecture and implementing many projects that ranged from infrastructure to e-services

5. Access & E-Learning

Numerous initiatives are underway in Jordan to facilitate further access to ICT services and learning. The hope is that further access will result in greater usage of these services to increase profitability of businesses be they small or large. Another important benefit is the ability for the average Jordanian citizen to participate in the global sphere through connection to these services. ICTI builds on and enhances ongoing initiatives, while fostering innovation and outreach efforts that accomplish the following objectives:

- Target public and private organizations with technical assistance, training, and technology access grants.
- Enhance computer education in universities to meet industry needs
- Expand the Ministry of Education’s e-Learning network

The following projects demonstrate the initiative’s commitment to access and e-learning:

- The Netcorps Jordan Project was initiated by the global Netcorps project, in cooperation with AMIR and MoICT, which seeks to advance the ICT usage in developing countries. In Jordan, this project is specifically catered to the Jordanian scene with youth volunteers going to all communities from northern Jordan to the south teaching Jordanians the power of ICT in their everyday lives ([Doc. Link](#)).
- The Knowledge Stations Initiative was set forth by His Majesty, King Abdullah II. Knowledge Stations adopt a tailored approach aimed at integrating ICT with community activities. The stations offer community development services to teach and train the community members on how to utilize ICT towards enhancing their businesses, attaining health care information, participating in e-government, acquiring novel leadership and entrepreneurship qualities, and attaining general awareness to various social issues such as gender discrimination. Furthermore, technical assistance designed for building the skills and knowledge of the members, is made available through providing courses which include among others, training on computer literacy, database management, and software applications ([Doc. Link](#)).

VI. Microenterprise Initiative

Overview

The Microenterprise Initiative (MEI) works to encourage microenterprise, while helping the microfinance institutions (MFI) grow and change to meet the needs of the microentrepreneur. This is accomplished through activities such as field surveys of the clients, grants to the MFIs and microentrepreneurs, industry training workshops, loan product development, and a microfinance association. MEI also works to promote business development services (BDS) to the microentrepreneur including: small business training workshops, marketing assessments, accounting, and legal services. Lastly, this initiative supports what is known as the Successful Entrepreneur Campaign; a nationwide initiative that breaks down common misconceptions of entrepreneurship, while exposing more Jordanians to the possibilities of entrepreneurship.

Key Initiatives

- 1. Sustainable Microfinance Industry Development**
- 2. Microenterprise Business Development**
- 3. Successful Entrepreneur Campaign**

1. Sustainable Microfinance Industry Development

The first phase of the AMIR program was devoted to the development of four AMIR supported MFIs: Ahli Microfinancing Company, Jordan Microcredit Company, Microfund for Women, and Middle East Microcredit Company. Since 1998, nearly JD 28million has been committed by USAID for the development of these MFIs, demonstrating the strong commitment it has to this initiative. The success of these MFIs attests to the value of microfinance loans to Jordanians. With high repayment rates and operational sustainability rates, this initiative is shifting its focus from capacity building of the MFIs, to supporting and growing the industry as a whole (Microfund Institution Statistics).

The microfinance industry has proved itself vital to Jordan's economic growth, with cumulative loans worth more than JD35 million with nearly 13,000 clients (Microfund Institution Statistics). The goal of the second phase of this initiative is to grow the industry to greater numbers with more clients and more microenterprises, further stimulating Jordan's economy. This initiative, through the help of partners, is using and creating innovative tools to support and grow the industry including:

- **Wholesale Funding Facility**-this funding facility is supported by Citibank and it enables MFIs to borrow funds from commercial lenders with loan guarantees from Citibank as collateral. This is strictly a loan guarantee program and does not result in the actual borrowing of funds from Citibank to the MFIs.
- **Market Demand Survey**- a survey of Jordanians, conducted in April 2002, revealed perceived barriers to entrepreneurship. This survey helps MEI and its partners identify these barriers and ways to overcome them.(Entrepreneur Survey)
- **Sustainable Microfinance Training Program**- in cooperation with the Institute of Banking Studies (IBS), MFIs are able to take part in training courses that build institutional capacity including: financial analysis, time management skills, and teamwork building in banking.
- **New Product Development**- the development of new loan products suitable to MFIs in Jordan is an ongoing process. One of the most recent products being developed is a life insurance product, which involved the work of an outside consultant to assess the feasibility of such a product in Jordan.

- **Microentrepreneur of the Year Award**-this is an annual awards program, held in conjunction with AMIR and the MFIs, that recognizes exceptional microentrepreneurs.
- **Common Management Information Systems**- this is a common system designed to provide the MFIs with a comprehensive loan tracking system tied to their general ledgers, which will create more transparent data and consistent internal evaluations.
- **Credit Bureau**- this information data bank gives credit providers accurate and current information regarding the historical performance of consumers to assess creditworthiness of potential borrowers. This data bank also helps provide specific standards for loan products.
- **Board Governance Manual**- this manual guides the MFI boards in assessing where they are compared to international practices. The assessment includes areas such as policies, board terms, board composition, and strategic planning.
- **MFI web-based reporting System**- this internet based system enables MFIs to report financial data and performances on-line. The system performs many calculations providing users a wealth of data.

2. Microenterprise Business Development Services

MEI supports the microfinance industry by assisting in the development of services to microentrepreneurs, or business development services (BDS). These services include:

- Seminars for the entrepreneurs
- Marketing tools for their products and services
- Technical services
- Accounting and tax services
- Legal services

These services support microenterprises in areas where they may be lacking in technical assistance, thus enhancing productivity and sustainability, resulting in business growth and employment opportunities for more Jordanians. A market survey, conducted in July 2002, revealed that there is a relatively untapped market for BDS totaling JD13 million annually (BDS Survey). The survey also showed that microentrepreneurs see the benefits of these services; however, making the connection to BDS providers is a more difficult task.

The initiative works to identify BDS providers while exposing the microentrepreneur to services that apply to their microenterprise. One way this is being accomplished is through an open tradeshow where microenterprises can interact with the BDS providers to obtain information and guidance to grow their businesses. Other ways this is accomplished are through the awards ceremony and after events, *Entrepreneur Nights* (to be discussed in further detail), and information materials located at the MFIs.

Added Resources for BDS

Entrepreneur Web Site

The web site, (<http://www.alriyadi.net/>), helps entrepreneurs get access to the information they need to start and run a business (“alriyadi” means “entrepreneur” in Arabic). This on-line information source, in Arabic, provides entrepreneurs with essential information, including guidelines on business registration and licensing, business planning, and resources for financial and non-financial services.

Support for Women

MEI is working with partners to develop a Women’s Entrepreneur Program. This comprehensive training program guides women entrepreneurs from business idea inception to project implementation. The results will yield more confident women entrepreneurs, equipped with the know how to set up and run

their own microenterprise. It will also facilitate useful exchanges between fellow women entrepreneurs, learning from each others experiences. A list of BDS providers will be available at the training program, further developing a link between these entrepreneurs and services that will help them succeed.

3. Successful Entrepreneur Campaign

The goal of the Successful Entrepreneur Campaign is to encourage new business start up and the expansion of existing businesses. This campaign channels its activities directly through AMIR and indirectly through its partners, which include:

- AMIR supported MFIs
- BDS Providers
- Partner Organizations- e.g., Ministry of Planning, JOHUD
- Business Associations
- Community organizations and leaders

In cooperation with partner institutions, a series of interactive plays known as *Entrepreneur Nights* will expose Jordanians to the traditional misconceptions associated with entrepreneurship. This open forum environment allows participants to ask challenging questions resulting in an increased awareness to the possibilities of entrepreneurship, and solutions to potential business problems. Role models from the community will be an instrumental part of these open plays, contributing their personal experiences from their particular community. Additional elements of this campaign include:

- **Successful Entrepreneur Campaign logo and slogan-** a design firm is creating a brand that will be used on all campaign materials, inspiring the target audience with a sense that entrepreneurship is something worth striving for.
- **Guidebook-** this guide shows the products and services (BDS) available to help the entrepreneur,
- **Advertising Posters-** these are distributed at the community level, as most of this campaign is at the grass roots level. These are also posted at the MFIs and other locations.
- **Awards Ceremony and After Events-**this event highlights entrepreneurs who can act as role models to the community. The after events will be held in the communities where the entrepreneurs are from, so that the whole community can celebrate the accomplishments of the entrepreneur.
- **Entrepreneur Web Site-** www.alriyadi.net is promoted at all levels of this campaign from the awards ceremony to *Entrepreneur Nights*, providing valuable information to would be entrepreneurs.
- **Adopt an Entrepreneur Mentoring Program-**business associations provide seasoned business owners as mentors to new entrepreneurs, increasing the entrepreneurs' confidence to succeed.
- **Entrepreneur Club-**working with community centers, entrepreneur clubs are being developed in each locale. These groups will have the opportunity to meet and exchange ideas with fellow entrepreneurs.